Septt. II-37—100,000—22-5-48.

Food (1948) Department.

Ms SERIES.

G.O. No. 400

Dated 4th May 1948.

[Despatch Abstract.]

Wheat products - Semolina - 37 tons imported ex-s.s. Devanah - Fixation of price - Papers recorded -

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FOOD.Deptt.

Issue draft today and put up note suggesting circulation to H.M.(Food) for information.

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29-3-48.

With reference to orders of A.S. above, the following note is submitted.

The Government of India during August 1947 informed that they had accepted an offer of 150 tons of Australian Semolina from the High Commissioner, London, for supply to this Province. The price of the stuff was reported to be about Rs.21-10-0 for imperial maund. The merchants who were then importing Semolina on their account were selling the stuff at Rs.64/- per Imperial maund. Considering the low price at which the stuff was offered this Government readily accepted the offer. Later in September the Government of India informed that only 43 tons of semolina were available for supply to Madras. Again in January, they informed that only 37 tons were to be shipped for Madras. The quantity was received in January (10-1-48). But information about its arrival was made available only in March 1948 by which time the stuff must have possibly had undergone some deterioration. The Government therefore requested the Board to inspect the staff with a representati of the R.F.C. Madras, with a view that if the stock was found deteriorated, the Government of India could be informed of the deteriorated condition and they could be made to bear the resulting loss if any. A report from the Board in this regard is being awaited.

The issue price of Semolina works out to Rs.26-8-0 per imperial maund which is less than half the issue price obtaining in the City. The Board therefore suggested that the release price of the Government stocks may be fixed at Re.0-10-0 per lb. which amounts to Rs.51-7-0 against the rate of Rs.67/- per maund obtaining in the City. By fixing the rate at Re.0-10-0 per lb., the Government stand t gain by nearly cent per cent. Though this is opposed to the principle that the Provincial Government should not make any profit out of imported goods, the release price has to be fixed on grounds of general policy and expediency and in such a manner that the merchants do not make unconscionable profits. The release price must therefore necessarily approximate to the prevailing market rates, irrespective of the cost at which the semolina is supplied to the Government. Th Board considers that it would be extremely unwise to transfe the semolina to the merchants at or near the cost price and leave them to derive enormous profits by sale at the prevailing market rates, and is of opinion that if there are any profits to be had in the sale of these stocks they should go either to the local Government or to the Governments of Indi and certainly not to the merchants, and the only question that is to be settled is as to which of the two Governments should take the profits. The Board considers that it may be left to the Government of India to raise this question themselves at some later date. In view of this the Government agreed to the Board's proposal to fix the issue price of Semolina at Rs.0-10-0 per lb.

The Government have also agreed to the Board's proposal to sell the commodity to bonafide consumers subject to the following restrictions.

(i) Semolina should be issued to bona fide consumers on on the production of their rice ration cards and t the number of such cards should invariably be noted in the bills to facilitate easy check.

p.t.o.

and (ii) The issue should be limited to, not more than three lbs. at a time.

The Government of India have called for information as to the maximum quantity which this Government will be prepared to take at the price of Rs.25/- per maund Indian Port. The Board has been asked to send a direct report to Government of India in this regard with a copy to Government. A copy of the Board's reply to Government of India is being awaited.

The case may in the meantime be circulated to H.M. Food for information.

xxx H.M.(Food).
5/4/

(From the Bd. of Rev.(CS)Ref.No.41744 E/48 dated 1-4-48).

To A.S.

The Bd's ref. at p.65 c.f. may be perused w.r.f. to Memo. at pp.51-52 c.f. Further report in this regard may be awaited till 15-4-48.

Bd's ref.at p.67 c.f. is submitted for gen perusal w.r.f. to pp.53.55 c.f..

(Sd.) xxx
8-4-48.

I doubt ~~very~~ much if we will really require as much as much as 3000 tons of samolina per mensem.

(Sd.) xxx
9/4/48.

(From the Govt. of India - Ministry of Food Letter No.P.1547 dated 10-4-48.)

TO A.S.

The Bd's ref. at 69, c.f. w.r.f. para 2 of the memo. at p.63 c.f., the Govt. of India's letter at p.71 c.f. and the Bd's ref. at p.73 c.f. with ref. to the memol at p.51 c.f. may be perused.

The Govt. of India in their letter at p.71 c.f. have informed that the price of Semolina to be imported in future will be slightly higher viz.Rs.25-12-0, as against the previous price of Res.24-12-0 per maund quoted in respect of the 37 tons received recently ex.S.S."Devanah" The Bd. has fixed the price at Rs.51-7-0 per maund in respect of these 37 tons and arrangements are being made for their distribution through T.U.C.S. Ltd., It is presumed that the new price communicated by the Govt. of India will not apply to these 37 tons and as such no revision of price appears necessary. The increased price may be communicated to the Bd. of Rev.(C.S.) for information and necessary action w.r.f. 'Z' on p.62 c.f. Subject to orders a draft endt. is submitted at p.72 c.f. for approval.

With ref. to the Secy's remarks at p.9 above it is submd. that there is a great demand for semolina provided it can be made available at a low price. There would not be any difficulty in disposing of 3000 tons a month in the entire province. Further there is the likelihood of the G. of I. not alloting the entire quota asked for. The Bd's request at p.6 c.f. may therefore remain.

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23-4-48.

(Issued as endt.No.45199c/47-14 d/23-4-48) /contd:-

To A.S.

Copy of the R.F.C's letter to C.C.S. at p.75 c.f. and the Bd's report at p.77 c.f. with the enclosure thereto at p.79 c.f. may be perused w.r.t. the Govt. memo. at pp.51-52 c.f. From the report of the Dir. of Inspection attached to R.F.C. Madras, at p.75 c.f. and the report of Asst. Entomologist of the Madras Govt. at p.79 c.f., it is observed that there is no deterioration of stocks except for some insect acctivity. The Asst. entomologist is of the opinion that no cleaning is necessary since the consumers can screen it and remove the insects before the use and the Bd. considers that there may not be much loss to Govt. in respect of this consignment. In view of this no further action seems called for in this file. The papers may be recorded. For orders.

Yes.

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4-5-48.

G.O.Ms.No.400, dated 4-5-1948.

Wheat Products - Semolina - 37 tons imported ex. s.s. Devanah - Fixation of price - Papers recorded.-

/True Copy/

R. Thiagarajan 23.12
Office Assistant,
Madras Record Office.

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